

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA

*** CRIMINAL DOCKET NO. 08-016**

V.

*** SECTION: "R" (5)**

PAUL HUNTER

*** * ***

FACTUAL BASIS

_____ Should this matter have gone to trial, the government would have proven, through the introduction of competent testimony and admissible, tangible exhibits, the following facts, beyond a reasonable doubt, to support the allegations in the indictment now pending against the defendant:

The Defendant, **PAUL HUNTER** (hereinafter "**HUNTER**") has agreed to plead guilty as charged to the four-count indictment charging him with wire fraud, in violation of Title 18, United States Code, Section 1343.

An official from the Small Business Administration ("SBA") would testify that SBA is an agency of the government of the United States of America. As a result of Hurricane Katrina, the SBA offered low interest disaster loans to victims of the Hurricane who incurred damage to their personal property, real estate and/or businesses. According to the SBA loan contract, after a loan closing, the SBA would disburse an initial \$10,000 on each loan. Additional disbursements required the applicant to submit certain documents to the SBA at 14925 Kingsport Road, Fort Worth, Texas for approval. For real estate construction or repair, the applicant was required to submit, among

other documents, a copy of a valid building permit or written evidence from a proper authority that a building permit was not required. Additionally, the loan contract required the applicant to assign any future insurance proceeds to the SBA.

An SBA agent would testify that prior to Hurricane Katrina, **HUNTER** owned and resided in a house located at 1112 North Bengal Road, Metairie, LA, in the Eastern District of Louisiana. In 2005, before Hurricane Katrina, **HUNTER** purchased a building located at 6485 Jefferson Highway, Harahan, Louisiana in the Eastern District of Louisiana to open a salon business.

On August 29, 2005, Hurricane Katrina made land fall and impacted the Jefferson Parish area where **HUNTER'S** properties were located. As a result of damage to his properties, **HUNTER** applied to the SBA, an agency of the United States of America, for 2 low interest disaster loans, one (1) for his home, and one (1) for his business. The home loan was approved for \$19,500.00 and the business property loan was approved for \$49,600.00. In accordance with the SBA loan contracts, SBA disbursed an initial \$10,000.00 on each loan to **HUNTER**.

To obtain the balance of his business loan of \$39,600.00, on or about May 11, 2006, **HUNTER** submitted via facsimile (wire) communication, a copy of a building permit, though not fraudulent, was obtained prior to Hurricane Katrina, thus making it invalid, from Commander, Naval Reserve Forces Command, Force Medical, Room 659, New Orleans, LA to the SBA office in Fort Worth, Texas. As a result of this wire communication, the SBA authorized the transmission by wire from the United States Treasury Department in Emeryville, California of \$39,600.00 to the main Whitney Bank Branch in New Orleans, Louisiana, where it was then deposited into a Whitney checking account at the Harahan, Louisiana branch, a location within the Eastern District of Louisiana. Authenticated documents and testimony from a Whitney Bank representative would

prove that the account into which the \$39,600.00 was deposited, specifically, Account No. 716151936, was an account owned by **HUNTER**.

To obtain the balance of his home loan of \$9,500.00, on or about July 24, 2006, **HUNTER** submitted via facsimile (wire) communication; a copy of a building permit obtained in 2003, prior to Hurricane Katrina but was altered to appear as if it were issued in 2005 after Hurricane Katrina, from Commander, Naval Reserve Forces Command, Force Medical, Room 659, New Orleans, Louisiana to the SBA office in Fort Worth, Texas. As a result of this wire communication, the SBA authorized the transmission by wire from the United States Treasury Department in Emeryville, California of \$9,500.00 to the defendant's account at the Navy Federal Credit Union in Belle Chasse, Louisiana, within the Eastern District of Louisiana. Authenticated documents and testimony would prove that the account into which the \$9,500.00 was deposited , specifically Account No. 2802485702, was an account owned by **HUNTER**.

Further testimony and documentation would prove that on or about April 27, 2006, the defendant received \$24,615.31 in insurance proceeds from Louisiana Citizen's Insurance Property Corporation for repairs to his home that he did not immediately assign or give over to the SBA as required by the SBA loan contract. On or about September 1, 2006, the defendant received \$20,336.37 in insurance proceeds from Bankers Insurance Group for repairs of his business that he did not immediately assign or give over to the SBA as required by the SBA loan contract. On or about January 19, 2007, the defendant received an additional \$17,740.35 in insurance proceeds from Bankers Insurance Group for repairs of his business that he did not immediately assign or give over to the SBA as required by the SBA loan contract. During this period, the defendant purchased

a 2006 Cadillac STS car, a 2007 boat with a new outboard motor, a boat trailer, and new home. The total loss to SBA was \$69,100.00, the amount of money it loaned to **HUNTER**.

ANDRE' JONES
Assistant United States Attorney
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Date

PAUL HUNTER
Defendant

Date

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Date

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